

Colchester Institute Corporation

**Minutes of a Virtual Meeting of the Corporation Board
held on 27 July 2022**

Present:

Kevin Prince, *in the Chair*
Alison Andreas
Lisa Blake
Richard Block
Olive Campbell-Lilo
Peter Cook

Mark Davies
Liz Goodall
Irene Kettle
Terry Smyth
Richard Wainwright

In Attendance:

Gary Horne Deputy Chief Executive
Hazel Paton Clerk to the Governors
Jill Wognum Executive Vice Principal: Curriculum, Planning and Quality

1. **Apologies for absence**

Apologies for absence were received from Stephanie Bettinson, Aron Leader and Brenda Rich.

2. **Declaration of any conflicts of interest**

None.

3. **Agreement to Starred Agenda Items**

Governors were invited to indicate any items which they wished to star for discussion or question. Items that had not been starred were noted and/or approved without discussion.

4. **Membership**

On the recommendation of the Governance, Remuneration and Search Committee, the Board APPROVED:

4.1. the re-appointment of Terry Smyth as an Independent Governor for a four-year term of office with effect from 25 July 2022.

4.2. the appointment of Dawn Swainson as a Staff Governor, nomination and elected by the Business Support Staff, for a four-year term of office with effect from 1 August 2022.

4.3. the appointment of Sam Aldwinckle as a Student Governor, nominated and elected by the further education students, for a one-year term of office with effect from 1 August 2022.

5. **Minutes**

The Minutes of the meeting held on 27 April 2022 (CIC/22/3/1) were received and approved as an accurate record.

6. **Matters arising from the minutes**

None, other than on the agenda.

7. **Chair's Action/Announcement**

CIC/22/3/2, Application of the Seal of the Corporation, was received and noted.

The Chair reminded Governors that he would be standing down from the Board at the end of December 2023. Governors interested in taking on the role of Corporation Chair were asked to contact the current Chair.

It was reported that there was a vacancy for an Independent Governor on the Governance, Remuneration and Search Committee. Independent Governors interested in joining the Committee were asked to contact the Chair or the Clerk.

8. **Targets 2022/23**

CIC/22/3/3, College Targets 2022/23 – FE and Apprenticeships, Higher Education, HR, was received and considered. It was reported that the targets were being recommended by the Finance and Resources Committee (HR targets), and the Curriculum and Quality Committee (all other targets). In response to feedback from the Curriculum and Quality Committee the Apprenticeship achievement target had been raised to bring it more in line with a good rather than an average performance. It was reported that targets where it was difficult for the College to get benchmark data had been removed, making them more streamlined than in previous years.

Governors challenged the proposed target for Student Satisfaction – National Student Survey (NSS), which was lower than the current year. It was reported that the NSS results for 2021/22 had just been published and the College was very disappointed with where it had finished. The target for NSS was unrealistic, so it had been dropped to the GFE benchmark for this year (74%) which was still aspirational.

Governors noted that the Apprenticeship withdrawal rate target was slightly higher than in previous years and asked what assumptions had been made in the Budget 2022-23 in terms of Apprenticeship withdrawals. It was reported that the withdrawal rate had been set at less than 15%. Under the ESFA monitoring dashboard, a withdrawal rate of 15% and above is the threshold for follow-up action. In terms of the budget, the Apprenticeship funding income was based on the expected achievement rate. The lower retention rate this year had been taken into account in the budget. **Action:** the Executive Vice Principal agreed to provide the Chair of the Finance and Resources Committee with exact data outside the meeting.

Noting that some targets were slightly down on the current year, Governors asked how this would be viewed by Ofsted. It was reported that Ofsted would take the view that the College was acting realistically in different times. The targets were still ambitious, given the College's experience this year with a different type of cohort than in the period pre-covid. The targets would be finalised when this year's performance and benchmark data is published in October, and could be adjusted when that information becomes available.

The Board APPROVED the College Targets 2022/23.

9. **Principal's Report**

CIC/22/3/4, Principal's Report – June 2022, was received and noted.

Governors asked what the effect would be on salaries if the current Office for National Statistics review results in colleges being reclassified as public sector. The Executive were not sure on this point but suggested that if colleges are reclassified the Government may feel it can set a percentage pay rise in the same way as it does for schools. The Deputy Chief Executive reported that from what he had read, if colleges are reclassified it is likely to be a light touch regime and the current governance arrangements retained because the DfE does not have the capacity to get involved in the management of colleges. There may be more input in terms of capital expenditure and exposure to risk. Governors asked if alternative structures were available if colleges are reclassified, but the Board decides that it does not wish to go down that route. It was reported that Colchester Institute could not become an Academy and remain the type of college it currently is because its adult and apprenticeship funding streams are outside the Academy structure and funding agreement.

10. **Ofsted Inspection Report**

CIC/22/3/5, Ofsted Inspection Report, was received and noted. The Principal reported that the Executive were very pleased with the outcome, and were already working with the Curriculum Managers on some of the areas for improvement.

Governors asked about the reaction of staff to the report. It was reported that it had been warmly welcomed. People also felt relieved, especially managers, as they had felt under pressure waiting for the Inspection to take place. The outcome is helpful in terms of recruitment, as people want to work for a Good College, and is also helpful to people who want to apply for jobs elsewhere. The Corporation Chair reported that he had attended the annual Staff Wellbeing day and barbecue and had noted how buoyant the staff were. He had got the sense that because Ofsted had gone well staff were looking forward to next year. It was a very positive experience.

The Board congratulated the Senior Management Team and staff on the outcome, which recognised their hard work and success over a number of years. The Principal thanked Governors for their support since the previous inspection, and their involvement and engagement with Inspectors during the Inspection week.

11. **Reports from Committees**

11.1. **Curriculum and Quality Committee**

11.1.1. The Chair of the Curriculum and Quality Committee presented his written report (CIC/22/3/6). The Board's attention was drawn to the following points:

- The challenges involved in getting learners to engage fully and cope with the increasing demands of external assessments after two years of disruption to their learning as a result of the pandemic.
- The significant risk of the ongoing difficulties in recruiting and retaining staff.
- The causal factors for the lower predicted achievement rates in Early Year than in other areas of the College.
- The significant increase in student mental health concerns compared to previous years, which were almost certainly related to the Covid pandemic.

11.1.2. The Board received and noted:

- CIC/22/3/7, Curriculum and Quality Update Report – Summer 2022
- CIC/22/3/8, Update on Strategic Plan Goals
- CIC/22/3/9, UCC Students' Union Annual Report 2021-2022.

11.1.3. The Board received, considered and, on the recommendation of the Curriculum and Quality Committee, APPROVED CIC/22/3/10, Diversity, Equity and Inclusion Policy.

11.2. **Audit and Risk Committee**

11.2.1. The Chair of the Audit and Risk Committee presented his written report (CIC/22/3/11). The Board's attention was drawn to the following points:

- Audit planning for the year ended 31 July 2022 - the most significant accounting issue is a change to the treatment and reporting on leases.
- The positive comments and Substantial assurance opinions given to Internal Audit reports received in the period.
- The Assurance Dashboard, which had been requested by the Committee.

- The Internal Audit Plan 2022-23 - the Committee had felt that there was not a focus on the learner journey, outcomes and teaching and learning and had asked for these to be included if relevant.
- Mark Davies was stepping down as Chair but would remain a member of the Committee. Lisa Blake would take on the role of Chair with effect from 1 August.
- Cyber security – all areas were RAG rated green. The College had received the Cyber essential certificate for the twelve months to April 2023.
- The Committee discussed the value of the External Audit tender analysis report prepared by the appointed procurement partner and the Deputy Chief Executive was asked to consider this going forward.

11.2.2. Governors noted the reference to Spring Lane Pavilion and Sports Fields in the Health and Safety Policy and asked for a summary on how that site is used and its value to the College. It was reported that Spring Lane provide facilities for Sports students, who use the pitches and pavilion, which doubles as a classroom, two days a week. Two external organisations also use the facilities under separate agreements. It was reported that the site has a low sale value, as a playing field facility - the College has previously ascertained that residential planning permission would be very difficult to achieve. The sports hall at the College is limited, and therefore the College has to offer alternative facilities to attract students. The College makes best use of Spring Lane by receiving income from tenants that use the facilities at weekends and evenings. The Executive are trying to reduce operating costs and under the long-term masterplan, it is hoped to reinstate sports pitches at the Colchester campus. A Governor thought that Spring Lane would sell easily as several organisations were trying to acquire sports sites, however, this would potentially increase revenue costs, if facilities then needed to be hired.

Governors asked about the possibility of sports on Hilly Fields. It was reported that some fields and sports pitches could potentially be created but the College would not be able to build on the site. There has been some interest from third parties looking to create some sports pitches on Hilly Fields, but they have been put off by the cost of planning permission on a scheduled ancient monument.

Governors asked about the curriculum offer in terms of sports programmes and questioned if it was worth investing in this area. It was reported that the College offers Level 2 and 3 BTEC programmes, a Level 3 Sports Coaching qualification and some higher programme through a sub-contracting arrangement. Numbers have declined in the last couple of years. There is competition from a Multi Academy Trust with aSports Academy at a brand new location, and the sixth form college.

Governors asked about the possibility of having a staff sports club at Spring Lane and use by students outside of sports courses. It was reported that a staff sports club was not something that had been considered, although some ad-hoc events are arranged from time to time. Staff have access to the gym at the Colchester campus which they can use at lunchtimes and in the evenings. In terms of students, there is a College football team that uses Spring Lane as its home ground. It was reported that the College had been praised by Ofsted on its strong engagement programme this year. Activities had been promoted through the CI App and on the screens but the take up had been disappointingly low.

11.2.3. The Board received, considered and, on the recommendation of the Audit and Risk Committee, APPROVED:

- CIC/22/3/12, Internal Audit Plan 2022-23
- CIC/22/3/14, Risk Management Policy and Procedure
- CIC/22/3/15, Health and Safety Policy

- CIC/22/3/16, Award of the contract for the external audit service from 01/08/2022 (to cover end of year Financial Statements from July 2023 onwards) to MacIntyre Hudson.

11.2.4. The Board received and noted CIC/22/3/13, Assurance Dashboard 2021-22.

The Corporation Chair thanked Mark Davies for his hard work and due diligence as Chair of the Audit and Risk Committee.

11.3. Finance and Resources Committee

11.3.1. Report from Committee Chair

The Chair of the Finance and Resources Committee presented his written report (CIC/22/3/17). The Board's attention was drawn to the following points:

- Recruitment and retention remain problematic. The College continues to see high staff turnover, primarily due to higher rates of pay elsewhere.
- The May Management Report full year operating surplus forecast was £36k. The June Management Report included the receipt of Lennartz income, which increased the surplus to £805k. The Financial Health forecast at the end of July was Good and the cash position remains relatively strong.

11.3.2. Monthly Management Report

CIC/22/3/18, Monthly Management Report and Accounts June 2022 [Period 11], was received and noted. The Deputy Chief Executive reported that the position was the same as at the end of May. Governors were asked to note that the cash position remained ahead of forecast for the month, partly due to cost control and delays to the Salix capital expenditure programme.

11.3.3. College Governing Body Finance Dashboard

CIC/22/3/19, College Governing Body Finance Dashboard -April 2022, was received and noted.

11.3.4. Corporate Budget 2022-23

CIC/22/3/20, Corporate Budget 2022-23, was received and considered. The Committee Chair reported that, whilst the Budget was being recommended to the Board for approval, because of the number of variables it will be re-examined at the October meeting when there is greater certainty over student recruitment and energy prices.

Governors questioned the source of the assumptions that had been made in terms of learner numbers. It was reported that:

- the numbers are taken from the curriculum plans from the areas.
- In terms of FE 16-19, there is an application process that can be relied on to forward project what the numbers will be. Applications were very good in January and the end of March check points and are still good. The budget includes conservative growth.
- The College's inability to achieve its 19+ funding allocation is still an issue. For the first time a target lower than the allocation had been set for budget purposes.
- HE income is lower than in the current year because progression figures will be lower than this year and will not grow for another two years.
- The College has growth aspirations for Work Based Learning but has included a £200k contingency to offset this risk.

The Deputy Chief Executive reported that there could be potential for improvements to the budget at the start of the new academic year:

- The recent AoC Chief Executive’s letter reported that the DfE had accepted the position on pay and was working hard to build an evidence base to seek additional funds from the Treasury. The 16-19 budget has been underspent this year and Ministers have been asked to prioritise these funds for FE.
- The College had submitted a business case for high needs learners responsive funding when the original allocation looked low. It had now been confirmed that the College will receive an extra £178k.
- An additional assumption not made in the budget was around the T Level capital bid, which has now been confirmed as successful. It will not improve the operating position but will improve the cash position.

Subject to a review in October 2022, the Board APPROVED the Corporate Budget 2022-23.

11.3.5. **College Financial Forecasting Return**

CIC/22/3/21, College Financial Forecast Return, was received, considered and APPROVED.

11.3.6. **Update on Property Issues**

The Deputy Chief Executive updated the Board on property issues. It was reported that:

- Summer works were in progress as the College prepares additional workshop space for the anticipated increase in construction learners.
- Work continued to complete the Salix decarbonisation project in Block D, the T Level Early Years facility and the new hairdressing salon.
- The nursery building at the Colchester campus had been destroyed by fire as a result of an arson attack in the early hours of 25th July. The building had not operated as a nursery since the tenants moved out just before the pandemic, but the College lost a significant amount of furniture which was being stored in the building. The loss adjustor had been on site, and the electricity had been made safe.

11.3.7. **Policy Review**

The Board received, considered and, on the recommendation of the Finance and Resources Committee, APPROVED:

- CIC/22/3/22, FE Fees Policy 2022-23
- CIC/22/3/23, International Fees Policy 2022-23
- CIC/22/3/24, Employer Co-investment Policy
- CIC/22/3/25, Subcontracting Policy 2022-23

Governors noted in the Subcontracting Policy the due diligence process that is carried out before a contract is issued but questioned whether the policy which determines whether a subcontractor will be accepted or not should also be set out in the Subcontracting Policy. An example was given as “we will not subcontract with somebody that does not have a financial rating of less than X”. **Action:** the Executive Vice Principal: Curriculum, Quality and Planning agreed to consider this for future updates to the Policy, and to report back to the Finance and Resources Committee on how the due diligence checks are undertaken.

11.3.8. **UCC Fee Proposals 2023-24**

The Board received, considered and, on the recommendation of the Finance and Resources Committee, APPROVED CIC/22/3/26, UCC Fee Proposals 2023-24.

11.3.9. **Strategic Plan One Year Action Plan**

CIC/22/3/27, Update on Strategic Plan Goals, was received and noted.

11.4. Governance, Remuneration and Search Committee

11.4.1. The Chair of the Governance, Remuneration and Search Committee presented his written report (CIC/22/3/28). The Board's attention was drawn to the following points:

- The College is required to undertake an external review of governance by the end of the 2023-24 academic year. A subcommittee had been established to review potential providers and firm proposals will be brought to the Board by the end of 2022 for a review to be completed by the summer/autumn 2023.
- Based upon feedback from Governors on last year's governor self-assessment, the process is being substantially reviewed to make it easier to complete. The questionnaire will be ready by the end of September for completion by the end of October.
- Governors were encouraged to engage in the training and sector updates circulated by the Clerk. There is a new requirement for boards to report in their annual reports on activity undertaken over the year to develop governors and the clerk.

11.4.2. The Board received, considered and, on the recommendation of the Governance, Remuneration and Search Committee APPROVED:

- CIC/22/3/29, Committee membership with effect from 01/08/2022
- CIC/22/3/30, Standing Orders
- CIC/22/3/31, Governance, Remuneration and Search Committee Terms of Reference
- CIC/22/3/32, Special Committee Terms of Reference
- CIC/22/3/33, Disciplinary Procedure for Senior Post Holders
- CIC/22/3/34, Grievance Procedure for Senior Post Holders

A Member observed that a number of Governors sit on more than one Committee and questioned whether the Board had sufficient members to fulfil its responsibilities. It was reported that the Board has eleven Independent Members, the minimum number agreed by the Board, but has the capacity to increase this to 14. The Governance, Remuneration and Search Committee were actively seeking new Independent members. Governors were asked to pass the names of individuals who could add value to the College and interested in joining the Board to the Corporation Chair, Principal or Clerk. Similarly, the Governance, Remuneration and Search Committee would welcome the names of individuals who may have concerns about their capacity to join the Board but have relevant skills to join a Committee as a co-opted member.

The Chair commented that a larger Board would give flexibility. Some Governors request a change of Committee during their 1:1 meeting with the Chair, but this is not always possible because of low numbers on the Committee they are currently a member of.

12. Review of Meeting

Items to be treated confidentially were agreed. A Member asked if it would be possible to include hyper links in the meeting papers to make it easier for Governors to move to specific papers. **Action:** the Clerk agreed to look at this.

13. Next Meeting

The Clerk reported that the meeting schedule for 2022/23 would be circulated once agreed with the Corporation and Committee Chairs.

14. Any Other Urgent Business

The Chair expressed his thanks to Liz Goodall for her contribution as a Staff Governor over the last four years, and to Olive Campbell-Lilo for her contribution as a Student Governor.